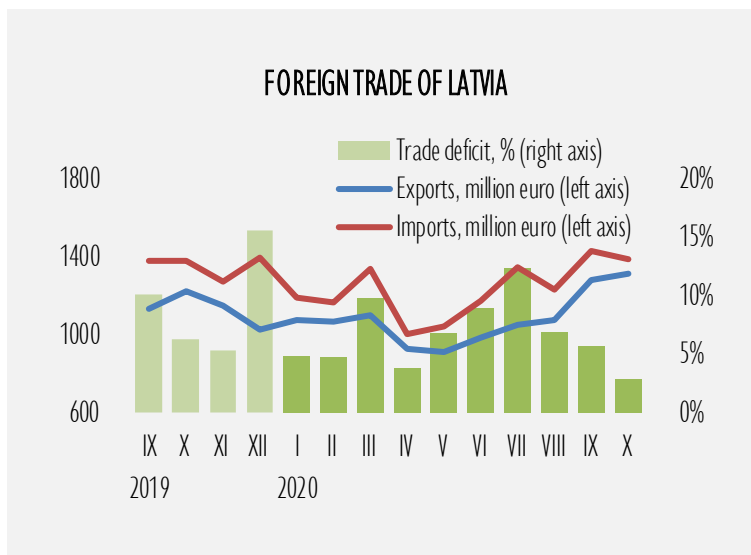


Latvia's Foreign Trade in October 2020

Vitenbergs: In October 2020, exports have reached a historic high in one month

According to the Central Statistical Bureau (CSB), in October 2020, the value of exports of goods at current prices increased by 7.7% annually. However, imports of goods rose more moderately - by 0.6%. Consequently, the trade deficit was lower than a year ago.

In October 2020, similarly as in September 2020, the value of most export commodity groups increased. The largest increases during the year were observed for oilseeds, machinery and electrical equipment, and cereals. Also, exports of wood and wood products and aircraft and parts thereof increased significantly. However, the export value of pharmaceutical products and beverages declined on an annual basis.



"In October 2020, the value of exports increased significantly, reaching a historic high in one month; the value of exported goods exceeded 1.3 billion euros! Latvian producers have achieved this despite the spread of the virus and the strict restrictions imposed to curb the spread of coronavirus in our export partner countries. Aforementioned reaffirms the high competitiveness, flexibility, and ability of our exporters to adapt to changing circumstances. At the same time, we are fully aware that there are sectors whose activities are much more strongly affected by the security measures; therefore, it is vitally important to ensure the continuation of support programmes to help these companies "hibernate" to keep their prospects next year," emphasizes the Minister of Economics Jānis Vitenbergs.

In October 2020, the value of exports of goods to EU countries increased by 6.5% annually. Exports increased to the Netherlands (i.e., oilseeds), Lithuania (i.e., electrical appliances and equipment), Belgium and Denmark (both oilseeds). However, exports declined to Sweden (i.e., wood and wood products, mixed chemical products).

Exports to the CIS countries increased moderately - by 1.1%. The value of exports to Ukraine (i.e., aircraft and parts thereof) increased. However, a decline in the value of exports to Russia (i.e., pharmaceutical products) was observed.

In October 2020, exports to other countries increased significantly - by 16%. The value of exports rose sharply to Algeria and Saudi Arabia (both for cereals) and to the United Kingdom (i.e., wood and wood products). However, the value of exports declined to Kenya (i.e., cereals).

The annual increase in imports of goods was affected by a rise in the value of exports of electrical equipment and machinery and cereals. However, the value of imports of mineral products decreased. In January-October 2020, exports were 0.3% lower than a year ago, while imports decreased by 7.1%.

Export development trends, as well as the overall economic outlook, remain highly uncertain due to the new outbreak of the Covid-19 pandemic. Therefore, we forecast that in the coming months, changes in

export volumes will be closely related to external demand, which may decline due to various restrictive measures.